Introduced by Assembly Member Gordon

February 24, 2015

An act to amend Sections 82013, 82036, 82036.5, 84101, 84103, 84200.6, and 84218 of, to repeal Sections 84200.7, 84202.5, and 84203.5 of, and to repeal and add Section 84200.5 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 594, as introduced, Gordon. Political Reform Act of 1974: campaign statements.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. The act requires elected officers, candidates, and committees to file various reports, including semiannual reports, preelection statements, and supplemental preelection statements.

This bill would recast the requirements for filing preelection statements and would repeal other reporting requirements, including supplemental preelection statements and supplemental independent expenditure reports.

The act defines "committee" as a person or combination of persons who receives contributions or makes independent expenditures of \$1,000 or more in a calendar year or who makes contributions of \$10,000 or more in a calendar year to or at the behest of candidates. The act defines "late contributions" and "late independent expenditures" for purposes

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of the act to include certain contributions and independent expenditures, respectively, that are made within 90 days before the date of the election.

This bill would revise the definition of "committee" by increasing the qualifying monetary thresholds to \$2,000 for contributions received or independent expenditures made by a person or combination of persons or \$20,000 for contributions made to or at the behest of candidates by a person or combination of persons.

This bill would revise the definitions of "late contributions" and "late independent expenditures" to increase the reporting threshold to \$2,000 and to specify that those terms also include contributions and independent expenditures that are made on the date of the election.

The bill would also make conforming changes.

A violation of the act's provisions is punishable as a misdemeanor. By expanding the scope of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 82013 of the Government Code is 2 amended to read:
- 82013. "Committee" means any person or combination of persons who directly or indirectly does any of the following:
- 5 (a) Receives contributions totaling—one *two* thousand dollars 6 (\$1,000) (\$2,000) or more in a calendar year.
- 7 (b) Makes independent expenditures totaling-one *two* thousand 8 dollars (\$1,000) (\$2,000) or more in a calendar year; or

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(c) Makes contributions totaling—ten *twenty* thousand dollars (\$10,000) (\$20,000) or more in a calendar year to or at the behest of candidates or committees.

A person or combination of persons that becomes a committee shall retain its status as a committee until such time as that status is terminated pursuant to Section 84214.

SEC. 2. Section 82036 of the Government Code is amended to read:

82036. "Late contribution" means any of the following:

- (a) A contribution, including a loan, that totals in the aggregate one *two* thousand dollars (\$1,000) (\$2,000) or more and is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure within 90 days before on the date of the election election, or during the 90-day period preceding the date of the election, at which the candidate or measure is to be voted on. For purposes of the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.
- (b) A contribution, including a loan, that totals in the aggregate one two thousand dollars (\$1,000) (\$2,000) or more and is made to or received by a political party committee, as defined in Section 85205, on the date of a state election or within 90 days before the date of a state election.
- SEC. 3. Section 82036.5 of the Government Code is amended to read:
- 82036.5. "Late independent expenditure" means an independent expenditure that totals in the aggregate—one two thousand dollars (\$1,000) (\$2,000) or more and is made for or against a specific candidate or measure involved in an election—within 90 days before on the date of the election or during the 90-day period preceding the date of the election. For purposes of the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.
- 36 SEC. 4. Section 84101 of the Government Code is amended 37 to read:
 - 84101. (a) A committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization. The committee shall file the original of the statement

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of organization with the Secretary of State and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215. The original and copy of the statement of organization shall be filed within 10 days after the committee has qualified as a committee. The Secretary of State shall assign a number to each committee that files a statement of organization and shall notify the committee of the number. The Secretary of State shall send a copy of statements filed pursuant to this section to the county elections official of each county that he or she deems appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State pursuant to this section shall send a copy of the statement to the clerk of each city in the county that he or she deems appropriate.

- (b) In addition to filing the statement of organization as required by subdivision (a), if a committee qualifies as a committee under subdivision (a) of Section 82013 before the date of an election in connection with which the committee is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84200.7, 84200.8, 84200.8 or 84200.9, the committee shall file, by facsimile transmission, *online transmission*, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this subdivision shall be filed with the filing officer with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.
- (c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82036.5 and makes independent expenditures of—one two thousand dollars—(\$1,000) (\$2,000) or more to support or oppose a candidate or candidates for office, the committee shall file, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this section shall be filed with the filing officer with whom the committee is required to file the original of its campaign reports

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pursuant to Section 84215, and shall be filed at all locations required for the candidate or candidates supported or opposed by the independent expenditures. The filings required by this section are in addition to filings that may be required by Sections 84203.5 and Section 84204.

- (d) For purposes of this section, in calculating whether one two thousand dollars—(\$1,000) (\$2,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot shall not be included if these payments have been made from the candidate's personal funds.
- SEC. 5. Section 84103 of the Government Code is amended to read:
 - 84103. (a) —WheneverIf there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment with the Secretary of State and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.
 - (b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours, notify the filing officer with whom it is required to file the originals of its campaign reports pursuant to Section 84215-when *if* the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a preelection statement, but after the closing date of the last preelection statement required to be filed for the election pursuant to Section-84200.7 or 84200.8, if any of the following information is changed:
 - (1) The name of the committee.
 - (2) The name of the treasurer or other principal officers.
 - (3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.
 - The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

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38 39 A committee may file a notification online only if the appropriate filing officer is capable of receiving the notification in that manner. SEC. 6. Section 84200.5 of the Government Code is repealed. 84200.5. In addition to the campaign statements required by Section 84200, elected officers, candidates, and committees shall file preelection statements as follows:

(a) During an even-numbered year, all candidates for elective state office being voted upon in the statewide direct primary election or the statewide general election, their controlled committees, and committees primarily formed to support or oppose an elected state officer or a state candidate being voted upon shall file the applicable preelection statements specified in Section 84200.7 or 84200.8. All elected state officers who, during the applicable reporting periods covered by Section 84200.7 or 84200.8, contribute to any committee required to report receipts. expenditures, or contributions pursuant to this title, or make an independent expenditure, shall file the applicable preelection statements specified in Section 84200.7 or 84200.8. However, a candidate for an office that is not being voted upon in the November election, his or her controlled committee, and any committee primarily formed to support or oppose that candidate is not required to file statements in connection with the November election pursuant to subdivision (b) of Section 84200.7 unless, during the reporting periods covered by Section 84200.7, the candidate, his or her controlled committee, or any committee primarily formed to support or oppose that candidate contributes to any committee required to report receipts, expenditures, or contributions pursuant to this title or makes independent expenditures.

(b) During an even-numbered year, all candidates not specified in subdivision (a) who are running for offices being voted upon on the first Tuesday after the first Monday in June or November, their controlled committees, and committees primarily formed to support or oppose those candidates or a measure being voted upon on the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in subdivision (a) of Section 84200.7 in the case of a June election, or subdivision (b) of Section 84200.7 in the case of a November election.

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(c) All candidates for offices being voted upon on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year, their controlled committees, and committees primarily formed to support or oppose a candidate or a measure being voted upon on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in Section 84200.8.

- (d) During an election period for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board, all candidates for these boards, their controlled committees, and committees primarily formed to support or oppose the candidates shall file the preelection statements specified in Section 84200.9.
- (e) In an even-numbered year in which the statewide direct primary election is held on the first Tuesday after the first Monday in June, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee as defined in Section 85205, shall file the preelection statements specified in Section 84200.7 if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement. A state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.7.
- (f) During an even-numbered year in which the statewide direct primary election is held on a date other than the first Tuesday after the first Monday in June, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee as defined in Section 85205, shall file the preelection statements specified in Section 84200.8 if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement. A state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.8.
- (g) During an election period for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013 shall file the

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1 preelection statements specified in Section 84200.9 if it makes 2 contributions or independent expenditures totaling five hundred 3 dollars (\$500) or more during the period covered by the preelection 4 statement to support or oppose a candidate, or a committee 5 primarily formed to support or oppose a candidate, on the ballot 6 for the Board of Administration of the Public Employees' 7 Retirement System or the Teachers' Retirement Board. A state or 8 county general purpose committee formed pursuant to subdivision 9 (b) or (c) of Section 82013 is not required to file the statements 10 specified in Section 84200.9.

- (h) A political party committee as defined in Section 85205 shall file the applicable preelection statements specified in Section 84200.7 or 84200.8 in connection with a state election if the committee receives contributions totaling one thousand dollars (\$1,000) or more, or if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more, during the period covered by the preelection statement.
- (i) City general purpose committees shall file statements as follows:
- (1) City general purpose committees in a city that has an election on the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in subdivision (a) or (b) of Section 84200.7 for the six-month period in which the city election is held, if they make contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement.
- (2) City general purpose committees in a city that has an election on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in Section 84200.8 if they make contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement.
- SEC. 7. Section 84200.5 is added to the Government Code, to read:
- 36 84200.5. In addition to the campaign statements required by Section 84200, elected officers, candidates, and committees shall file preelection statements as follows:
 - (a) All candidates appearing on the ballot to be voted on at the next election, their controlled committees, and committees

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primarily formed to support or oppose an elected officer, candidate or a measure appearing on the ballot to be voted on at the next election shall file the applicable preelection statements specified in Section 84200.8.

- (b) All elected state officers and candidates for elective state office who are not appearing on the ballot at the next statewide primary or general election ballot, and who, during the preelection reporting periods covered by Section 84200.8, contribute to any committee required to report receipts, expenditures, or contributions pursuant to this title, or make an independent expenditure of one thousand dollars (\$1,000) or more in connection with the statewide primary or general election, shall file the applicable preelection statements specified in Section 84200.8.
- (c) A state or county general purpose recipient committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee as defined in Section 84205, shall file the applicable preelection statements specified in Section 84200.8 if it makes contributions or independent expenditures totaling one thousand dollars (\$1,000) or more in connection with the statewide primary or general election during the period covered by the preelection statements. However, a state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the preelection statements specified in Section 84200.8.
- (d) A political party committee as defined in Section 84205 shall file the applicable preelection statements specified in Section 84200.8 in connection with a statewide election if the committee receives contributions totaling one thousand dollars (\$1,000) or more, or if it makes contributions or independent expenditures totaling one thousand dollars (\$1,000) or more, in connection with the election during the period covered by the preelection statement.
- (e) A city general purpose committee formed pursuant to subdivision (a) of Section 82013 shall file the applicable preelection statements specified in Section 84200.8 if it makes contributions or independent expenditures totaling one thousand dollars (\$1,000) or more in connection with a city election in the committee's jurisdiction during the period covered by the preelection statements. However, a city general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not

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1 required to file the preelection statements specified in Section 2 84200.8.

- (f) CalPERS and CalSTRS Elections. During an election period for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board:
- (1) All candidates for these boards, their controlled committees, and committees primarily formed to support or oppose the candidates shall file the preelection statements specified in Section 84200.9.
- (2) A state or county general purpose committee formed pursuant to subdivision (a) of Section 82013 shall file the preelection statements specified in Section 84200.9 if it makes contributions or independent expenditures totaling one thousand dollars (\$1,000) or more during the period covered by the preelection statement to support or oppose a candidate, or a committee primarily formed to support or oppose a candidate on the ballot for the Board of Administration of the Public Employees Retirement System or the Teachers' Retirement Board.
- (3) However, a general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.9.
- SEC. 8. Section 84200.6 of the Government Code is amended to read:
- 84200.6. In addition to the campaign statements required by Sections 84200 and 84200.5, all candidates and committees shall file the following special statements and reports:
- (a) Supplemental preelection statements when required by Section 84202.5.
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- 30 (a) Late contribution reports reports, when required by Section 84203.
- 32 (c) Independent expenditure reports when required by Section 84203.5.
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- 35 (b) Late independent expenditure reports reports, when required 36 by Section 84204.
- 37 SEC. 9. Section 84200.7 of the Government Code is repealed.
- 38 84200.7. (a) Preelection statements for the June election period
- 39 shall be filed as follows:

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(1) For the period ending March 17, a statement to be filed no later than March 22. However, for a special election called after March 17, or for which the period for filing nomination documents, as defined in Section 333 of the Elections Code, ends after March 17, a preelection statement for the period ending 45 days before the election shall be filed no later than 40 days before the election.

- (2) For the period ending 17 days before the election, a statement to be filed no later than 12 days before the election. All candidates being voted upon in the June election, their controlled committees, and committees formed primarily to support or oppose a candidate or measure being voted upon in the June election shall file this statement by guaranteed overnight delivery service or by personal delivery.
- (b) Preelection statements for the November election period shall be filed as follows:
- (1) For the period ending September 30, a statement to be filed no later than October 5.
- (2) For the period ending 17 days before the election, a statement to be filed no later than 12 days before the election. All candidates being voted upon in the November election, their controlled committees, and committees formed primarily to support or oppose a candidate or measure being voted upon in the November election shall file this statement by guaranteed overnight delivery service or by personal delivery.
- SEC. 10. Section 84202.5 of the Government Code is repealed. 84202.5. (a) Any candidate or any committee pursuant to subdivision (a) of Section 82013 which makes contributions totaling ten thousand dollars (\$10,000) or more in connection with an election, including a runoff election, shall file a supplemental preelection statement no later than 12 days before the election, for the period ending 17 days before the election. This statement shall be filed by guaranteed overnight delivery service or by personal delivery with each office with which the candidate or committee filing the statement is required to file its next campaign statement pursuant to Section 84215.
- (b) This section shall not apply to candidates or committees during any semiannual period in which the candidate or committee is required to file preelection statements pursuant to Section 84200.5.

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(c) If a candidate or committee makes contributions totaling ten thousand dollars (\$10,000) or more in connection with an election and all of those contributions are reported pursuant to Section 84200 or 84202.7 on or before the closing date specified in subdivision (a), the candidate or committee shall not be required to file additional statements for that period pursuant to this section. SEC. 11. Section 84203.5 of the Government Code is repealed. 84203.5. (a) In addition to any campaign statements required by this article, if a candidate or committee has made independent expenditures totaling one thousand dollars (\$1,000) or more in a calendar year to support or oppose a candidate, a measure or qualification of a measure, it shall file independent expenditure reports at the same time, covering the same periods, and in the places where the candidate or committee would be required to file campaign statements under this article, as if it were formed or existing primarily to support or oppose the candidate or measure or qualification of the measure. No independent expenditure report need be filed to cover a period for which there has been no activity to report.

- (b) An independent expenditure report shall contain the following information:
- (1) The name, street address, and telephone number of the candidate or committee making the expenditure and of the committee's treasurer, and the number assigned to the committee by the Secretary of State.
- (2) If the report is related to a candidate, the full name of the candidate and the office and district for which the candidate seeks nomination or election. If the report is related to a measure or qualification of a measure, the number or letter of the measure, or if none has yet been assigned, a brief description of the subject matter of the measure, and the jurisdiction in which the measure is to be voted on or would be voted on if it qualified.
- (3) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received less than one hundred dollars (\$100).
- (4) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received one hundred dollars (\$100) or more.
- (5) For each person to whom an expenditure of one hundred dollars (\$100) or more related to the candidate or measure has

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been made during the period covered by the report and for each
person who has provided consideration for an expenditure of one
hundred dollars (\$100) or more during the period covered by the
report:

5 (A) His or her full name.

- (B) His or her street address.
- (C) If the person is a committee, the name of the committee, the number assigned to the committee by the Secretary of State, or if no number has been assigned, the full name and street address of the treasurer of the committee.
 - (D) The date of the expenditure.
- 12 (E) The amount of the expenditure.
 - (F) A brief description of the consideration for which each expenditure was made and the value of the consideration if less than the total amount of the expenditure.
 - (G) The cumulative amount of expenditures to such person.
 - (6) A list of all the filing officers with whom the committee filed its most recent campaign statement.
 - (c) Filing officers shall maintain paper reports filed pursuant to this section under the name of the candidate or measure supported or opposed by the independent expenditure.
 - SEC. 12. Section 84218 of the Government Code is amended to read:
 - 84218. (a) A slate mailer organization shall file semiannual campaign statements no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.
 - (b) In addition to the semiannual statements required by subdivision (a), slate mailer organizations shall file preelection statements as follows:
 - (1) Any slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held upon the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.7 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five

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1 hundred dollars (\$500) or more to produce one or more slate 2 mailers.

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- (b) In addition to the semiannual statements required by subdivision (a), a slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.8 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) one thousand dollars (\$1,000) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.
- (c) A slate mailer organization shall file two copies of its campaign reports with the clerk of the county in which it is domiciled. A slate mailer organization is domiciled at the address listed on its statement of organization unless it is domiciled outside California, in which case its domicile shall be deemed to be Los Angeles County for purposes of this section.

In addition, slate mailer organizations shall file campaign reports as follows:

- (1) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in a state election, or in more than one county, shall file campaign reports in the same manner as state general purpose committees pursuant to subdivision (a) of Section 84215.
- (2) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one county, or in more than one jurisdiction within one county, shall file campaign reports in the same manner as county general purpose committees pursuant to subdivision (c) of Section 84215.
- (3) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one city shall file campaign reports in the same manner as city general purpose committees pursuant to subdivision (d) of Section 84215.

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(4) Notwithstanding the above, no slate mailer organization shall be required to file more than the original and one copy, or two copies, of a campaign report with any one county or city clerk or with the Secretary of State.

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5 SEC. 13. No reimbursement is required by this act pursuant 6 to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school 8 district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of 10 the Government Code, or changes the definition of a crime within 11 12 the meaning of Section 6 of Article XIIIB of the California 13 Constitution.

SEC. 14. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.